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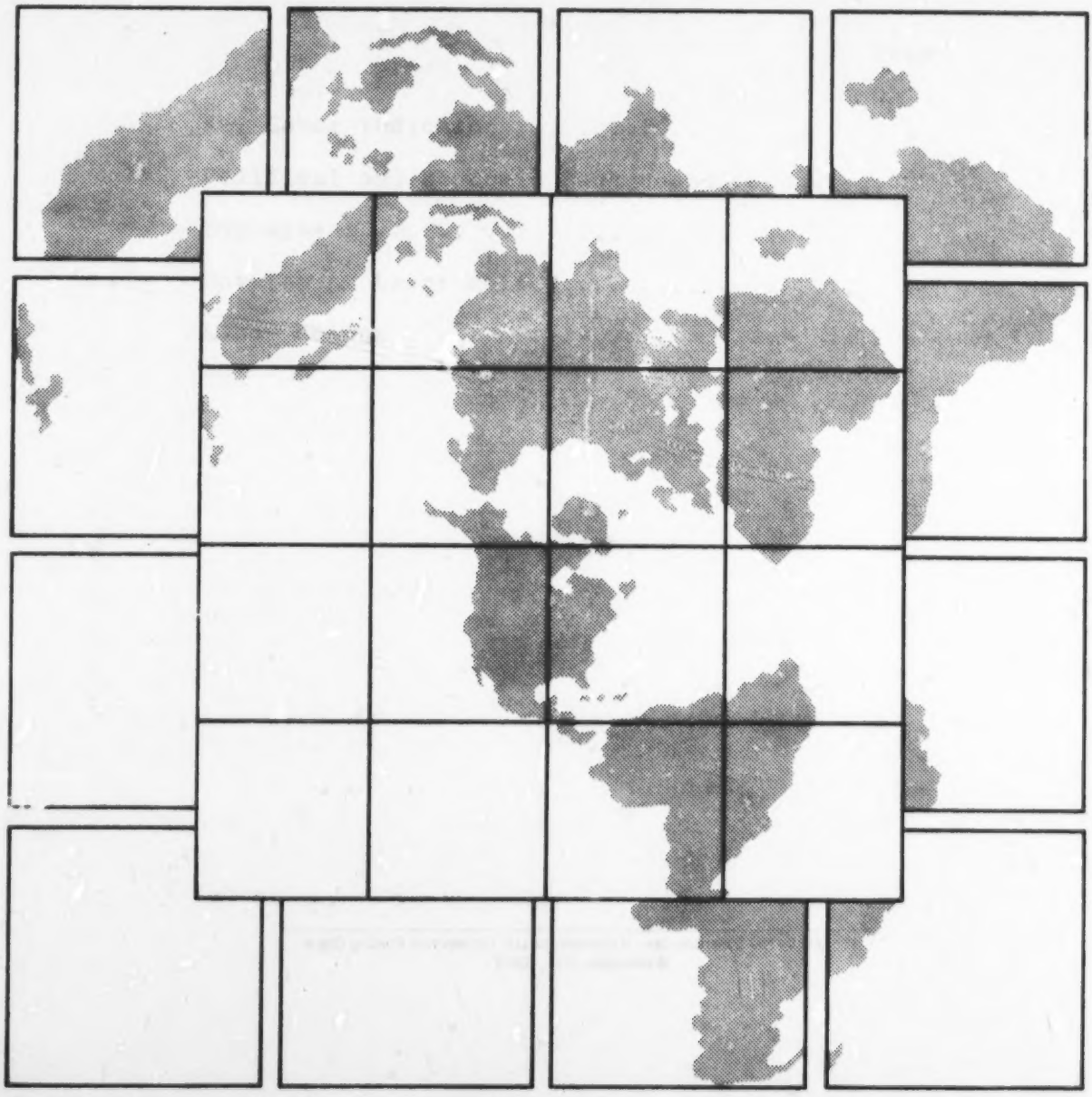

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KEY LABOR INDICATORS

	Latest Year	Change from Previous Year
Per capita GNP, current prices (1986)	$328	-1.4%
Population (000, 1987 est.)	2,281	
---Major ethnic groups: (pct.)		
Kpelle	20	
Bassa	15	
Grebo	10	
Gio	8	
Kru	8	
Other Indigenous	37	
Americo-Liberian	2	
Birth rate (per 1,000, 1987)	48	
Population growth rate (pct., 1987)	3.34	
Life expectancy at birth (1987)	55	
Adult literacy rate (pct., 1987)	15-25	
Labor force, age 10-64 (000, 1988)	1,349	
Employment, civilian (000, 1988)	701	
---, in agriculture	570	
---, in industry	27.8	
---, in services	60	
---, in government	43	
Employment at major concessions (1988)		
Firestone Plantations	8,643	
Liberia Agriculture Co.	2,788	
Bong Mining Company	2,025	
Guthrie Plantations	1,826	
LAMCO	1,073	
Urban unemployment (pct., 1988)	43	
Unionization in monet. sector (pct., 1988)	15	
Annual chng. consumer prices (pct., 1987)	5	
Trade with U.S. ($ millions, 1987)		
---, exports	100.5	
---, imports	68.8	

(Source: Government of Liberia, except for U.S.trade figures that are from U.S. Department of Commerce)

POLITICAL AND ECONOMIC BACKGROUND

Liberia, a small West African nation of approximately 2.3 million people, is Africa's oldest independent republic. It was founded in the early Nineteenth Century by freed American slaves, who would eventually establish political and social control over the indigenous population. After declaring its independence in 1847, Liberia embarked on a 133-year period of relative political stability.

In April 1980, Master Sergeant Samuel Kanyon Doe and 16 other enlisted soldiers of indigenous origin led a successful coup against President William Tolbert. The new military government, the People's Redemption Council (PRC), suspended the constitution and imposed martial law. It later pledged to restore civilian rule by 1985 and appointed a commission to draft a new constitution, which was ultimately approved in a national referendum in July 1984. At that point, the PRC lifted the ban on political activity, appointed an Interim National Assembly, and announced a schedule leading to presidential and legislative elections in 1985. The October 1985 elections, which four political parties contested, were marked by controversy. Amid reports of electoral fraud, authorities declared that Head of State Doe had won the presidency by a small majority and that his party, the National Democratic Party of Liberia (NDPL), had won 80 percent of the seats in the legislature. The opposition parties disputed the results and to this date refuse to participate in the legislature.

Despite political unrest that followed an attempted coup in November 1985, the transition to civilian rule proceeded according to schedule, and on January 6, 1986, Samuel Doe was inaugurated as president, and the new constitution, modeled after the American example, went into effect. Since the return to civilian rule, there has been a general reduction in political tensions as the nation's attention has turned more toward economic development issues.

Liberia's mixed economy is based primarily on iron ore, rubber, timber, and traditional agriculture. Rubber production was introduced to Liberia in 1926 by Firestone, which manages the world's largest contiguous rubber plantation in Harbel, Liberia. Other major plantations are operated by Guthrie, a

British/American company, and the American-owned Liberian Agricultural Company (LAC). The iron ore sector, Liberia's main foreign exchange earner since the 1960s, is currently in decline as a result of low world prices and diminishing reserves of high-grade ore. The Liberian-American-Swedish Mining Company (LAMCO), one of Liberia's largest employers, has announced plans to phase out its Liberia operations by the early 1990's. Liberia's relatively young timber industry has enjoyed rapid growth in recent years, despite concerns of negative environmental effects. Other significant export industries include gold and diamond mining and coffee and cocoa production. The majority of Liberia's labor force, approximately 80 percent, is in subsistence agriculture.

The Liberian economy has faced hard times in the 1980s. Serious deficiencies in fiscal and monetary policies have fueled growing government budget deficits, liquidity crises, foreign exchange shortages, external debt service arrearages, and balance of payments disequilibria. In addition, falling world prices for iron ore and (until recently) rubber have depressed export earnings, resulting in the reduction of the work force in these two important sectors. Economic recovery has been hampered by business and investor uncertainty which followed the April 1980 coup. Business confidence has yet to be fully restored, despite the 1986 return to civilian rule, because of ongoing uncertainty over the government's economic policies. Nevertheless, by 1987-88, indications emerged that the long economic decline had bottomed out and some sectors, such as rubber, were expanding.

EMPLOYMENT

The Liberian Government's most recent estimates show 1,349,000 in the labor force, defined as those age 10-64. Of that total, 701,080 are actually employed, approximately 80 percent in subsistence agriculture and 20 percent in the monetary sector, although the latter accounts for roughly 85 percent of gross domestic product (GDP). About 9 percent of those with jobs are employed in wage sector agriculture. Outside of agriculture, the largest employer is the government which employs approximately 6 percent of all workers.

The underemployment which characterizes traditional agriculture in Africa makes it difficult to quantify the unemployment rate. It is evident, however, that unemployment in urban areas has increased significantly in the last decade. Government estimates place urban unemployment at 43 percent. Accelerating

urbanization is likely to exacerbate urban unemployment despite efforts by the government to reverse this trend through the introduction of the "Green Revolution," a program designed in part to encourage youth to remain in rural areas.

GOVERNMENT LABOR POLICY

In the last several years, the Government has permitted labor unions greater freedom to organize and conduct their internal affairs. For example, after taking over in 1980, the PRC lifted the previous Government's prohibition against the unionization of agricultural workers, allowing thousands of workers on the large rubber plantations to organize for the first time. Since then dozens of new unions have been organized in various economic sectors throughout the country.

Nonetheless, organized labor still operates under some legal restrictions, most notably the prohibition against strike action contained in PRC Decree 12, announced in July 1980. The Government continues to enforce Decree 12, despite protests from domestic and international labor groups that its prohibition of strikes violates internationally-recognized worker rights. In January 1988, the Government invoked Decree 12 when it declared a four-day walk-out by workers at Bong Mines to be illegal. A new labor code, which would supersede Decree 12 by permitting strikes under certain circumstances, has been under review by the Liberian legislature since 1986. Another legal restriction is the constitutional prohibition against partisan political activity by labor unions.

Although the Constitution guarantees workers the right of association, the Government does not recognize the right of civil servants or employees of public corporations to unionize. In August 1987 a Government-sponsored Civil Service Reform Bill was introduced in the legislature which would codify this restriction and also enjoin government employees from membership in political parties. Following widespread public opposition to the bill, the legislature adjourned its 1987 session without taking action on it. As of August 1988, the bill was still before the House of Representatives awaiting final action. Despite the restrictions against unionization of government workers, the Government has permitted public sector employees to organize "professional associations." Both the National Teachers Association and the Public Corporation Employees Association lobbied actively against the Civil Service Bill.

For the last several years, the Liberian government has pursued -- with varying degrees of intensity and success -- a policy of "Liberianization." The stated intent of the policy is to reduce unemployment and increase Liberian participation in the economy by seeking to replace expatriate employees with qualified Liberian nationals. In practice, the policy has met with only limited success and expatriate employees continue to be disproportionately represented in technical, professional, administrative, and managerial positions. In July 1988, a bill was introduced to the legislature which would restrict certain categories of businesses and service professions to Liberians, but no action was taken on the bill.

LABOR UNIONS

The premier labor group in Liberia is the Liberian Federation of Labor Unions (LFLU), the country's only umbrella labor organization. The LFLU currently has 10 affiliated unions, with a total nominal membership of approximately 15,000. LFLU affiliates include the Firestone Agricultural Workers; the National Union of Plantation, Agricultural, and Allied Workers; the Maritime, Seamen, Ports and General Workers Union; the Domestic, Commercial, Clerical, and General Services Union; the National Timber, Wood and Construction Workers Union; and the LAMCO Workers Union.

The drop in union membership since 1984 is probably related to several factors. Liberia has suffered a significant economic decline during the 1980s and the monetary sector work force has shrunk, as much as one-third according to some statistics, from 210,000 to 140,000 workers. At least one major concession (LAMCO) has begun to phase out operations and lay off formerly unionized workers; the formerly unionized National Iron Ore Company has ceased operations altogether. Between 1984 and 1988, the name of the National Union of Liberian Teachers was officially changed to the National Teacher's Association of Liberia, in accordance with the government ban on civil servant unions. They continue to operate, organize seminars, and speak out on behalf of teachers, but their 10,000 members officially dropped off the union rolls in 1987.

Internationally, the LFLU is affiliated with the International Confederation of Free Trade Unions (ICFTU). It also has close ties with the African-American Labor Center (AALC), an arm of the AFL-CIO, with a representative stationed in Liberia. The AALC, in conjunction with the LFLU, undertakes an ambitious labor education and organization program in Liberia.

The LFLU held its second quadrennial convention in Monrovia in May 1988. Over one hundred delegates from the LFLU's 10 affiliates participated in the proceedings, at which elections were held for new leadership. James N. Davies won election as the new President of the LFLU (he had been the acting president since April 1987) and Amos Gray was reelected as Secretary General. The losing candidates protested the election results, however, and in mid-1988, the matter was still before the courts.

Perhaps the most significant labor-related event in the last few years was the campaign conducted by labor groups and the opposition political parties in the second half of 1987 against the controversial Civil Service Bill. The LFLU, its affiliates, and several independent unions and associations spoke out strongly against the bill at public meetings and in newspaper articles, ultimately persuading the legislature to table the bill for further study. Organized labor's role in helping to defer final action on the bill demonstrated its growing influence on national issues affecting workers.

The Bong Mine Workers Union carried out the only major job action in the period 1987-88 when it went out on strike for four days in December 1987. The workers walked out in an attempt to force management to repeal fees introduced earlier in 1987 for the use of the company hospital and school system. They returned to their posts after President Doe agreed to look into their grievances. In January 1988, the presidential commission appointed to look into the grievances declared the strike to be illegal and recommended that the union's leaders be suspended and prosecuted for conducting the strike. Before the Government could take action, though, the union's shop stewards voted to suspend the entire executive committee of the union for "maladministration and misappropriation." The suspended leaders were subsequently dismissed from both their union positions and their jobs pending prosecution for their alleged malfeasance.

The National Allied and Agricultural Workers Union of Liberia (NAAWUL) suffered a setback in late 1987 in its longstanding dispute with the Government over representation of the approximately 8,000 workers at the Firestone Plantation. NAAWUL represented Firestone workers until its suspension by the Government in 1982 for violating Decree 12 by allegedly instigating worker stoppages at the plantation. NAAWUL attempted to reassert its representation of Firestone workers after its suspension was lifted in 1984, but the Government instead chose to recognize the newly-formed Firestone Agricultural Workers Union (FAWUL) as the sole representative of the plantation's work force. NAAWUL subsequently took its

case to the International Labor Organization (ILO). In November 1987, the ILO Committee on Freedom of Association dismissed NAAWUL's complaint against the Government of Liberia but urged the latter to expeditiously enact the pending labor code in order to prevent such misunderstandings in the future.

The Brussels-based World Confederation of Labor (WCL) conducted a one-week seminar in Monrovia in May 1988, which was attended by most of the non-LFLU-affiliated unions and labor associations, including NAAWUL, the Bong Mine Workers Union, the National Teachers Association, the Federation of Transport Unions, and the National Seamens Union. No Liberian union is currently affiliated with either the World Confederation of Labor (WCL) or the Prague-based World Federation of Trade Unions (WFTU).

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